

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF DELAWARE

|                                  |   |                       |
|----------------------------------|---|-----------------------|
| INOVIS USA, INC.,                | ) |                       |
|                                  | ) |                       |
| Plaintiff,                       | ) |                       |
|                                  | ) |                       |
| v.                               | ) | C.A. No. 07-459 (GMS) |
|                                  | ) |                       |
| CLASSIFIED INFORMATION, INC. and | ) |                       |
| DISTANCE DIGITAL CO., LLC,       | ) |                       |
|                                  | ) |                       |
| Defendants.                      | ) |                       |

**PLAINTIFF INOVIS USA, INC.'S REPLY BRIEF  
IN SUPPORT OF ITS MOTION TO STAY ALL PROCEEDINGS PENDING  
DETERMINATION OF ITS FILED REQUEST FOR REEXAMINATION**

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May 27, 2008

**TABLE OF AUTHORITIES**

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### **NATURE AND STAGE OF PROCEEDING**

Since Inovis filed its Motion To Stay All Proceedings Pending Determination Of Its Filed Request For Reexamination (D.I. 65), the PTO has ordered reexamination of the 669 Patent (Ex. D, Application data for 669 Patent from USPTO Patent Application Information Retrieval website, dated May 27, 2008).

### **ARGUMENT**

In opposing Inovis' motion for a stay pending the reexamination of the 669 Patent, Classified argued on May 15 that "even a slight delay" in discovery would have "significant consequences" for Classified. (Classified's Br. at 3, D.I. 69). Yet just a few days later, Classified requested that the Markman hearing be postponed from its originally scheduled date of June 24 until September 25, that fact discovery be extended from August 8 until November 7, 2008, and that expert discovery be extended from November 21, 2008 until January 9, 2009. (D.I. 25; D.I. 70). Classified's own request for months of more time gives the lie to the notion that Classified could possibly be prejudiced—much less "unduly prejudiced"—by a stay.

Classified also seems to fault Inovis for being scrupulously prompt and candid in, first, notifying Classified of its intent to file for reexam (D.I. 65 at Ex. A) and, second, in quickly moving for a stay within two weeks of having sought reexam. Classified's argument seemed to be that there was a 4 or 5% chance that the reexamination request might not be granted, and the Court should therefore assume that this case fell into that 5% of cases in which reexam is denied, as opposed to the 95% or more of cases in which it is granted. That argument is now moot, however, because the PTO has now granted reexamination. (Ex. D). Importantly, Classified offered no argument why, if reexamination were granted by the PTO (as it now has been), this Court should not enter a stay of this case.

Moreover, Classified's argument that a stay "would also unfairly allow Inovis to continue to delay in providing the details of its invalidity and unenforceability defenses" is specious. (Classified's Br. at 5). The only "delay" in this case has been Classified's. First, Classified delayed filing its counterclaim for patent infringement for almost seven months after Inovis filed its complaint--filing a frivolous motion to dismiss that was belatedly withdrawn. Second, Classified has changed counsel multiple times, which has entailed substantial delays to Inovis. Indeed, despite Classified's misleading self-portrait of a party propelling this case along ("Classified retained its current counsel to move forward and get its case ready for trial," Classified's Br. at 1), Classified's most recent counsel was unable to draft its opening claim construction briefs consistent with the Court's prior scheduling order, thereby necessitating a three-month delay in the Markman hearing and a three-month extension in fact discovery as well.

Similarly, Classified never reconciles its contention that "even a slight delay would have significant consequences for both parties and the Court" (Classified's Br. at 3), with the fact that it delayed commencement of discovery until nine months after plaintiff filed the complaint and more than two months after Classified filed its patent infringement counterclaim, or the fact that, in the ten months since this case was filed, none of Classified's various counsel have taken a single deposition or issued a single third-party subpoena. Given Classified's own dilatory conduct in commencing discovery and its numerous requests for continuances,<sup>1</sup> the

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<sup>1</sup> Classified argues disingenuously that it "has not had an opportunity to take any depositions of Inovis' employees, due in large part to the fact that it has yet to receive any discovery from Inovis." (Classified's Br. at 5). But nothing has prevented Classified from taking depositions, and if it wanted to receive Inovis' document responses earlier, it should have served them earlier. Instead, Classified failed to serve any document requests until April 24 (D.I. 63), making the responses not due until May 30. If Classified really cared about "a month of lost time" (Classified's Br. at 7), it would not have delayed serving document requests for nine months after this case was filed and nine weeks after it had filed its infringement counterclaim.

notion that a stay could somehow prejudice it—much less unduly prejudice it—is preposterous. Indeed, at the same time that Classified is telling this Court that it is “get[ting] its case ready for trial,” Classified is refusing to provide Inovis with proper infringement contentions on the theory that “[d]iscovery in this matter is still at an early stage.” (Ex. E, Classified Information’s Supplemental Answer to Inovis’ First Set of Interrogatories at 1).

At the end of the day, Classified does not, and cannot, dispute the large body of case law that teaches that, where a reexamination request has been granted, a stay is usually appropriate unless it is requested just before trial. Indeed, in the one case cited by Classified, *Abbott Diabetes Care, Inc. v. Dexcom, Inc.*, C.A. No. 05-590-GMS, 2006 U.S. Dist. LEXIS 57469 (D. Del. Aug. 16, 2006), this Court ruled that a stay should be granted, despite the fact that the plaintiff had filed a claim for patent infringement a year before the Court’s ruling, and fact discovery was set to close in five months. Here, Classified’s claim for patent infringement was only filed three months ago, and there are over seven months left in fact discovery. As even Classified concedes, the likelihood that the PTO will declare invalid one or more claims of the 669 Patent is 74%. (Classified’s Br. at 6). Under such circumstances, for all the reasons set forth in this Court’s decision in *Abbott* and other cases, it makes great sense to await the PTO’s determination on the significance of the prior art that was never previously considered by the examiner. Conversely, there is no sense in proceeding willy nilly with discovery, briefing, hearings, and a trial on the counterfactual assumption that the PTO will not gut, if not completely invalidate, the 669 Patent during reexamination.

MORRIS, NICHOLS, ARSHT & TUNNELL LLP

*/s/ Julia Heaney*

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May 27, 2008

2342017

CERTIFICATE OF SERVICE

I, the undersigned, hereby certify that on May 27, 2008, I electronically filed the foregoing with the Clerk of the Court using CM/ECF which will send notification of such filing to the following:

M. Duncan Grant  
PEPPER HAMILTON LLP

and that copies were caused to be served upon the following individuals in the manner indicated:

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# EXHIBIT D





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90/010,141

Method and System for Providing Secure EDI Over An Open Network

Select New Case

Application Data

Transaction History

Image File Wrapper

Continuity Data

Address & Attorney/Agent

Bibliographic Data

|                         |                |                            |                                       |
|-------------------------|----------------|----------------------------|---------------------------------------|
| Application Number:     | 90/010,141     | Customer Number:           | -                                     |
| Filing or 371 (c) Date: | 04-14-2008     | Status:                    | Determination - Reexamination Ordered |
| Application Type:       | Re-Examination | Status Date:               | 05-27-2008                            |
| Examiner Name:          | KHATRI, ANIL   | Location:                  | ELECTRONIC                            |
| Group Art Unit:         | 3992           | Location Date:             | -                                     |
| Confirmation Number:    | 1238           | Earliest Publication No:   | -                                     |
| Attorney Docket Number: | INOV-0005      | Earliest Publication Date: | -                                     |
| Class / Subclass:       | 713/001        | Patent Number:             | -                                     |
| First Named Inventor:   | 5,812,669 , ,  | Issue Date of Patent:      | -                                     |

|                     |   |
|---------------------|---|
| Title of Invention: | Method and System for Providing Secure EDI Over An Open Network |
|---------------------|---|

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# EXHIBIT E

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF DELAWARE

|                               |   |                     |
|-------------------------------|---|---------------------|
| INOVIS USA, INC.              | § |                     |
| Plaintiff,                    | § |                     |
|                               | § |                     |
| vs.                           | § | C.A. No. 07-459-GMS |
|                               | § |                     |
| CLASSIFIED INFORMATION, INC., | § |                     |
| Defendant.                    | § |                     |

**CLASSIFIED INFORMATION, INC.'S SUPPLEMENTAL ANSWER TO  
PLAINTIFF INOVIS USA, INC.'S FIRST SET OF INTERROGATORIES**

To: Plaintiff Inovis USA, Inc., by and through its attorney of record, Jack B. Blumenfeld, Julia Heaney, Morris, Nichols, Arsht & Tunnell LLP, 1201 North Market Street, P.O. Box 1347, Wilmington, DE 19899-1347

Pursuant to Rules 26 and 33 of the Federal Rules of Civil Procedure, Classified provides this first supplement to its answers to Defendants' First Set of Interrogatories to Plaintiff.

Discovery in this matter is still at an early stage. Inovis has not yet produced the documents and things requested by Classified and has not yet answered Classified's Second Set of Interrogatories. No oral depositions have taken place. These supplemental responses are therefore preliminary, and Classified reserves the right to amend and/or supplement any of the matters contained herein.

Classified hereby repeats and incorporates by reference its prior answers, including all objections, to Plaintiff Inovis USA, Inc.'s First Set of Interrogatories.

**SUPPLEMENTAL ANSWERS TO SPECIFIC INTERROGATORIES**

**Interrogatory No. 1:**

Separately, with respect to each asserted claim of the 669 patent, identify each Inovis product(s) Classified contends infringes any one or more claims of the 669 patent and describe in a chart specifically where each claim limitation of each claim is found within each accused

product, including for each limitation that Classified contends is governed by 35 U.S.C. § 112 ¶6, the identify of the structure(s), act(s), or material(s) in the accused product(s) that performs the claimed function and also state whether each claim limitation is allegedly satisfied literally or under the doctrine of equivalents (for all limitations that Classified contends are present in the accused product(s) under the doctrine of equivalents, provide all reasons why Classified contends the differences between the claim limitation and the allegedly infringing product are insubstantial).

**Answer:**

Classified incorporates here the general objections set forth in its original answers to Plaintiff's First Set of Interrogatories. Classified objects to this interrogatory as premature since Inovis has yet to provide any discovery related to any of its infringing products. Classified objects to this interrogatory as compound.

Subject to and without waiving the foregoing objections, Classified identifies Inovis' BizManager product and any other products incorporating and/or in compliance with the AS2 standard as infringing one or more claims of the '669 patent. Classified asserts that Inovis infringes at least the following claims of the '669 Patent:

Claim 3, Claim 13, Claim 21, Claim 22, Claim 29, Claim 30, Claim 35, Claim 36, Claim 37, Claim 38, Claim 39, Claim 40, Claim 42, Claim 43, Claim 45, Claim 46, Claim 48.

Classified reserves the right to supplement its answer following discovery.

Dated: May 6, 2008.

**PEPPER HAMILTON, L.L.P.**

*/s/ M. Duncan Grant*

---

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**CERTIFICATE OF SERVICE**

I hereby certify that on the **6th** day of **May, 2008**, Classified Information, Inc.'s Answers to Plaintiff Inovis USA, Inc.'s First Set of Interrogatories were served upon the below-named counsel of record at the addresses and in the manner indicated:

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*/s/ M. Duncan Grant*

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